



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

Stephen G. Boyden
Director

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November 14, 2002

Ronald K. Stout
P.O. Box 251
St. George, UT 84771

ML 48974-MP

Dear Mr. Stout:

I'm enclosing a copy of trust lands Patent No. 17638 whereby land described as NE4NW4 Section 20, T42S, R15W, SLB&M, Washington County was sold by the State of Utah with a reservation of coal and all other minerals.

The term "minerals" in the Patent is interpreted to include sandstone, shale limestone and other stratified deposits of solid rock. Ordinary sand and gravel alluvial material is not included within the mineral estate, but you must be careful to differentiate between the types of geological deposits in your excavation or grading of the subject lands. The solid rock deposits may only be disturbed under authority of your trust lands minerals permit ML 48974-MP on a royalty payment basis. You must also have a mining permit issued by the Division of Oil, Gas & Mining and a plan of operations approved by the Trust Lands Administration prior to disturbing grading or removing any of the solid rock deposits.

You will note from the enclosed Patent that minerals in adjacent lands described as W2NE4 and NW4SE4 of said Section 20 are also reserved to the State of Utah. I presently have no land survey showing exactly where the boundary line if your surface ownership lies on the ground with respect to these properties, but you must be careful to confine your minerals operations under ML 48974-MP to the NE4NW4 of the Section. The Trust Lands Administration has issued no other permits in this area and any mining or grading or mining of mineral deposits within the other described lands within the Patent is in trespass. Please immediately notify me and provide me with detailed information regarding any trespass that you may observe in this area.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Doug Jensen

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DIV. OF OIL, GAS & MINING

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